United States
Department of Agriculture
Foreign Agricultural Service
March 1988

Foreign Agriculture

High Time for High-Value Sales to the U.K.

Marketing News

SUSTA Promotion Is Big Hit In Japan

The largest U.S. in-store promotion ever held in Japan took place at 149 Nichii Superstores last fall. The event was hailed a success for southern U.S. agriculture by the **Southern United States Trade Association (SUSTA)**, a sponsor of the event. The promotion—"Let's Have a Bite of the American South, the First Nichii American Fair"—introduced new U.S. products and lifestyles to Japanese consumers. U.S. food products purchased by Nichii for the promotion were valued at $7.5 million with $3.79 million of this total coming from the SUSTA region.

Agricultural products featured at the show included grapefruit juice, grapefruit and oranges from Florida; poultry from North Carolina and Arkansas; catfish from Mississippi; beef and non-alcoholic beer from Texas; snack foods and beverages from Maryland and Georgia; pecans and peanuts from Virginia and Georgia; coffee, beignet mixes and Tex-Mex foods from Louisiana; apple cider and blue crabs from Virginia; mustards from North Carolina; and sweets from Alabama.

"Nichii has an understanding of what is needed to sell U.S. products in Japan," SUSTA president Wayne Cawley said. "Now it is up to U.S. producers to pay more attention to details such as package size and ingredients. This was a unique learning experience for promotion participants."

SUSTA contributed $300,000 to the promotion through the Foreign Agricultural Service's Targeted Export Assistance (TEA) Program. According to Cawley, SUSTA is planning similar TEA-sponsored in-store activities in Norway, Denmark and the Netherlands this year.

Soviets Purchase Record Soybean Shipments

The Soviet Union has purchased U.S. soybeans and soybean meal totaling over 57 million bushels, thanks in part to the marketing efforts of the **American Soybean Association (ASA).**

The Soviets purchased the U.S. soybeans just months after ASA announced it would conduct a series of swine feeding trials this winter in cooperation with the Soviet Agro-Industrial Committee, commonly known as GOSAGROPROM. "Soviet officials have acknowledged a protein deficiency in feeds equal to 300-450 million bushels of soybeans annually," said ASA president Wayne Bennett. "That's equal to all of the Illinois or Iowa crop and more than double or triple the soybean crop in many other states. Sales of that size could add $2 billion or more to the U.S. farm and trade economy."

Bennett adds that he thinks feeding trials and pressure for more and better quality meat will keep the Soviets buying U.S. soybeans for the next few years. For the past seven years, the United States had served only as a residual supplier of soybeans to the Soviet Union, according to Bennett.

1988 U.S. Holstein Export Directory Now Available

The **Holstein Association** has announced the availability of its 1988 edition of the U.S. Holstein Export Directory. The directory features the names and descriptions of 44 U.S. commercial export companies that market Holstein genetics internationally. The guide provides foreign importers of U.S. Holstein genetics with information on products and services available from U.S. exporters.

Copies of the directory are available free upon request from the Holstein Association. For further information, contact John D. Field, Managing Director of International Market Development, Holstein Association, 1 Holstein Place, Brattleboro, Vermont 05301-0808.

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U.S. High-Value Products Tempt Tastes of British Consumers

In a recent study of the best market prospects for U.S. agricultural products over the next three to five years, the Foreign Agricultural Service ranked the United Kingdom as the ninth largest market. (See ***Foreign Agriculture,*** *February 1988.) This month, Robert Fondahn, Agricultural Trade Officer in London, talks with* ***Foreign Agriculture*** *about the potential for high-value products in the promising U.S. market.*

Foreign Agriculture: What is the size of the U.K. market for agricultural products?

Fondahn: In calendar year 1986, the total market for agricultural commodities was about $18.5 billion. Food products accounted for $17 billion and lumber and wood products accounted for the rest.

The United Kingdom imported about $1.1 billion (cost, insurance, freight basis) from the United States, which represents about 6 percent of total U.K. imports. Nearly $1 billion was in the form of food products and approximately $100 million was lumber, plywood and related wood products.

FA: Who are the main competitors for the U.K. market?

Fondahn: About 60 percent of all agricultural imports come from other members of the European Community (EC). That amounts to about $10.8 billion each year. Outside the EC, our main competitors are Israel, South Africa, North Africa, New Zealand and Australia.

FA: How would you describe British consumers? Do they like to try new food products?

Fondahn: As a rule, the U.K. consumer is well educated and adaptable to new trends in eating. Food shoppers always are looking for new products that are of high quality, that will keep well and that can be presented well.

U.K. shoppers also are price conscious, but if they try a product and like it, they will buy it again, even if it costs a little more.

The government also has made a strong push to make consumers aware of the benefits of healthy eating. Therefore, we have seen a tremendous increase in consumption of fresh fruits and vegetables, dried fruits, nuts, leaner meats and low-cholesterol products. That has augured well for U.S. exporters of these high-value commodities.

FA: Is there a growing consumer preference for convenience foods as well?

Fondahn: I think we are seeing a move in that direction. One big change we have seen is more and more women working outside the home. Another is the increased use of microwave ovens. The microwave oven helps families put dinner on the table very quickly. As a result, British demand for convenience foods has increased sharply.

Another trend we see is a growing preference for fast-food services. Although people once said it would never happen in the United Kingdom, young people do frequent the hamburger houses. Pizza restaurants are springing up as well, and we also are seeing an influx of Mexican restaurants which are popular here.

FA: How have these trends influenced your market development strategy?

Fondahn: Although bulk commodities are a very important part of the U.K. market, we are concentrating our efforts on high-value products. By high value I mean virtually anything that is fresh, frozen, packaged, or canned.

Research and recent marketing experience have taught us that we must concentrate on educating the U.K. importers on the high-value market. They are very familiar with U.S. bulk commodities—they know the price, the quality and where these commodities fit into the market. But they have a great deal to learn about what the United States can supply in the way of high-value foods.

FA: What is the Agricultural Trade Office doing to help find a place for U.S. products on British store shelves?

Fondahn: If I were to sum up in one sentence what the Agricultural Trade Office does, I would say we try to put buyers and sellers together.

First, we promote general awareness of U.S. products, concentrating heavily on new-to-market items. We assist U.S. exporters in assessing the market, and then help them develop an entree into this market.

Our program provides trade and technical services to U.S. exporters and to U.K. importers, processors, wholesalers and

retailers. We provide trade data gathered by the U.S. Department of Agriculture or by the exporting firms and associations.

Help is given to the U.K. trade seeking products from U.S. exporters. We handle a considerable number of trade inquiries and personal visits by traders.

We also meet often with U.S. exporters who visit the United Kingdom and put them in touch with people we feel are potential trading partners.

In addition, our trade office now offers full conference and kitchen facilities for seminars and cooking demonstrations.

It's a very broadbased program capped by a number of food shows which we help set up and sponsor each year. At these shows, U.S. participants from state organizations, trade associations and private firms introduce their products to the U.K. market.

FA: A number of U.S. cooperators are working jointly with the Foreign Agricultural Service to carry out market development activities for specific commodities. Just how large is this program in the United Kingdom?

Fondahn: We had 47 market development cooperators operating in this market in fiscal year 1987 and continuing into 1988. In addition to regular market development programs, 19 cooperators are carrying out Targeted Export Assistance (TEA) programs.

The total cooperator program has increased significantly over the past year and a half. In 1985, USDA funding in the United Kingdom was about $2.5 million. Today with the advent of TEA funding, the total program among the 47 cooperators is about $15 million. As a result, we have seen a tremendous surge in market development activity in the United Kingdom over the past year.

FA: With such a wide range of commodities, it would be difficult to disscuss all of the programs, but could you give a few examples of the type of work that is going on in the United Kingdom?

Fondahn: One program I think could produce very beneficial results is the promotional activities being carried out by the Washington State Apple Commission.

The Commission researched the market here and found out—quite to their surprise—that there were two things consumers didn't like about Washington State apples. One was that the apples were too large; the other was that they were too waxy and shiny for the U.K. market.

To address the problems of size and appearance, the Commission began featuring smaller, less glossy apples at point of purchase promotions.

In addition, a promotional program is underway to make retailers and consumers aware of what Washington has to offer in the way of high-quality apples. Through an aggressive print and television advertising campaign they are trying to get across the message that Washington State Red Delicious apples are popular worldwide.

The Commission is quite confident that once consumers try Washington apples, they will go back again and again to buy them.

FA: U.S. high quality seems to be a solid selling point. Are other organizations basing their market development strategy on the quality aspect?

Fondahn: Quite a few have introduced the concept. The California Wine Institute, for example, has a very successful TEA program emphasizing quality.

Traditionally, wines from other European countries have dominated the U.K. market and the U.S. share is about 1 percent. To expand the U.S. market share, the Wine Institute has established a carefully planned program to educate importers, retailers and consumers on the high quality of U.S. wines—both red and white as well as some rose and blush wines.

Through posters, in-store advertisements, mail-out materials and other public relations efforts, the Wine Institute is building interest in U.S. wines. Perhaps the best vehicle is the series of wine tastings held frequently throughout the year to introduce importers to fine wines.

FA: It sounds like lack of consumer awareness is one of the problems U.S. exporters must overcome. How are they going about it?

Fondahn: Just as in any other country, you have to educate the consumer. For example, the California Raisin Advisory Board discovered that the British consume raisins primarily in baked products and tend to identify raisins as "golden sultanas"—the chemically bleached varieties from the Mediterranean region and South Africa.

The Board has been very successful in introducing an advertising campaign that promotes California raisins as a nutritious, high-energy snack food.

U.K. participation through third-party cooperators and distributors has been excellent. California raisins are listed in the contents on private brand labels, and retail stores are beginning to permit in-store promotions which they have not done previously.

It has been a very effective program and I am sure it will continue to enhance exports of California raisins.

FA: Foods imported into the United Kingdom from other countries in the European Community are admitted free of tariffs, levies and most other import barriers, often giving them a decisive price advantage. Can U.S. products compete in this type of trade environment?

Fondahn: It's true, we do have some difficulty in competing with other EC suppliers because they do not have the tariffs or levies against their products. But with high-quality products, good promotion, reliability of supply and other factors which can make U.S. exporters competitive, I think we can market successfully in the United Kingdom.

FA: What are the biggest roadblocks that a U.S. exporter faces?

Fondahn: I've found that one of the biggest stumbling blocks for firms contemplating the international market is fear.

The owners of many small- and medium-size firms fear they do not have the experience necessary to compete in the world market. They feel they cannot afford to hire an international marketing specialist to handle the paperwork for shipping and all the other details that are involved in exporting.

The interesting thing is that through a little bit of education and particularly through finding a firm that can handle the exporting, many of these smaller firms can be very successful in the international market.

My general advice to U.S. exporters is: Do not be afraid of the term international trading. If you feel you can't do it yourself, there are many middlemen who would be glad to do the marketing for you and handle the paperwork.

FA: What other tips do you have for exporters?

Fondahn: It goes back to common sense marketing. First of all, you must have a product that will be acceptable in the market. You also must know what the general consumer demand is in a particular country. If foreign consumers are not familiar with your product, you must develop a sales strategy to create consumer awareness and stimulate demand for your product.

You should understand labeling requirements; you should understand what type of packaging is allowed within the country. You also must be a reliable supplier. You cannot be in and out of the market just because you have a surplus one month and are on the short side the next.

You may not make a profit the first few months, but if your product is good and you stay in the market long enough for consumer acceptance to build, you can almost be assured that your product will be imported and utilized in the market. Then profit will follow. ■

U.K. Grocery Trade Offers Export Opportunities

By Shaun W. Risdon

To break into the United Kingdom's grocery trade, exporters need an insight into the grocery industry's structure, information on its key players and an overview of options to consider when bringing a product to market.

Consumers in the United Kingdom spend roughly $17 billion a year on groceries. Although growth in the industry has slowed, there has been a marked shift in where consumers are doing their buying. Grocery store chains have expanded and are aggressively trying to attract new customers from each other and build consumer loyalty.

Grocery Trade Has Three Sectors

The United Kingdom's grocery trade is made up of three trade sectors—multiple chains, cooperatives and independents.

Cooperatives are made up of many regional groups, some having as few as three shops. The products they stock are generally drawn from one of 18 regional distribution centers. However, it is suggested that when initially marketing a product within the cooperative sector, the organization to contact is the Cooperative Retail Service.

Six multiple chains (see box) account for 70 percent of grocery sales—an important fact to remember when trying to market products.

Independents represent over 80 percent of the 50,000 grocery stores in the United Kingdom, yet account for only about a tenth of turnover—indicative of their role in the total grocery industry. They are small stores that would be called "mom and pop" stores in the United States. They draw stock from wholesalers or "cash-and-carries."

Private Labels Making Inroads

Within the past two years, the grocery trade has undergone considerable change due to the growing dominance of the chains and to the emergence of private-label food items.

Almost one-third of grocery turnover is accounted for by products sold under a retailer's private label.

In the past, retailers relied on brand names and advertising to attract consumers. However, private labels have been replacing brand items causing brand loyalty to diminish. As a result, grocery chains are less dependent on brand names. The main grocery products sold under retailer labels are meat and dairy products and paper goods, but no market is excluded.

Options for Marketing Products

Even with the increase in private labels, opportunities still exist for U.S. exporters to market their products in the United Kingdom.

Multiple Chains Dominate Market

Six food store chains in the United Kingdom control more than two-thirds of the grocery industry. Knowing the differences between each chain and their marketing strategies can help in trying to break into the U.K. market.

J. Sainsbury Plc., with 220 stores, is the largest and most aggressive of the United Kingdom's food retailers. It knocked Tesco Food Stores, Ltd. out of the top slot several years ago. Traditionally based in the southeast, it recently has started expanding its area and was the first grocery chain to employ joint ventures with other non-food retailers.

Contact: **J. Sainsbury Plc.**, Mr. R. T. Vyner, Buying and Marketing Director, Stamford House, Stamford Street, London SE1 9LL, Tel. (001-44-1) 921-6000, Telex 264241.

Tesco Food Stores, Ltd., with twice as many stores, was built into a supermarket chain in the pre-superstore era principally by use of trading stamps and exceptionally keen pricing policies. It ranks second.

Contact: **Tesco Food Stores, Ltd.**, Mr. I. C. Atkinson, Group Buying Director, Tesco House, Delamare Road, Cheshunt, Waltham Cross, Herts EN8 9SL, Tel. (001-44-9) 923-2222, Telex 24138.

The **Dee Corporation Plc.** is the third largest grocery retailer. It rapidly diversified by purchasing five retail chains, providing at one time well in excess of 1,000 outlets.

Contact: **Dee Corporation Plc.**, Mr. David Fisher, Marketing Director, Silbury Court, 418 Silbury Boulevard, Milton Keynes MK9 2NB, Tel. (001-44-90) 860-7171, Telex 825245.

Asda Stores or **Associated Dairies** now comprises 100 stores primarily in the north and midlands. This company was responsible for the emergence of the superstore (25,000 square feet or more) concept. Asda Stores brought together both foods and non-food items under one roof. The non-food products have had greater success.

Contact: **Asda Stores**, Mr. G. G. Street, Marketing Director, Asda House, Britannia Road, Morley, Leeds LS27 OBT, Tel. (001-44-53) 253-9141, Telex 55315.

Argyll Stores, Ltd., which now owns Safeway, is the only chain to sell just grocery items. It has no superstores. Argyll Stores, Ltd. has supermarkets, discount stores and freezer centers.

Contact: **Argyll Stores, Ltd.**, Mr. P. Howitt, Marketing Director, Millington Road, Hayes, Middlesex UB3 4AY, Tel. (001-44-1) 848-8744, Telex 934888.

Kwik Save Group Plc. is the originator of the discount or limited line store. It carries standard branded items at rock-bottom prices. Outlets resemble warehouses with goods merchandised in cut-case displays—a "no-frills" approach with few competitors.

Contact: **Kwik Save Group Plc.**, Mr. W. Postlethwaite, Managing Director, Warren Drive, Prestatyn, Clwyd LL19 7HU, Tel. (001-44-74) 568-7111, Telex 61669.

One option is to enter into a joint venture. Many major manufacturers are willing to consider the addition of outside products to their portfolios.

Another option is a licensing arrangement. A suitable partner with manufacturing capacity can produce and sell on an exporter's behalf while the exporter achieves a return through royalties.

Another consideration is to ship the finished product to local agents or regional distributors.

Food Brokers Can Help

Exporters also can hire a food broker to market a product and tailor it to meet consumer needs. There are marked differences between food brokers in the United Kingdom and those in the United States. The main difference is in the level of service provided.

U.K. brokers' marketing departments are playing an increasingly important role in establishing and developing products from abroad.

The food broker's marketing staff can develop the pricing structures for the product, handle advertising, do research, design new packaging and handle legislative requirements.

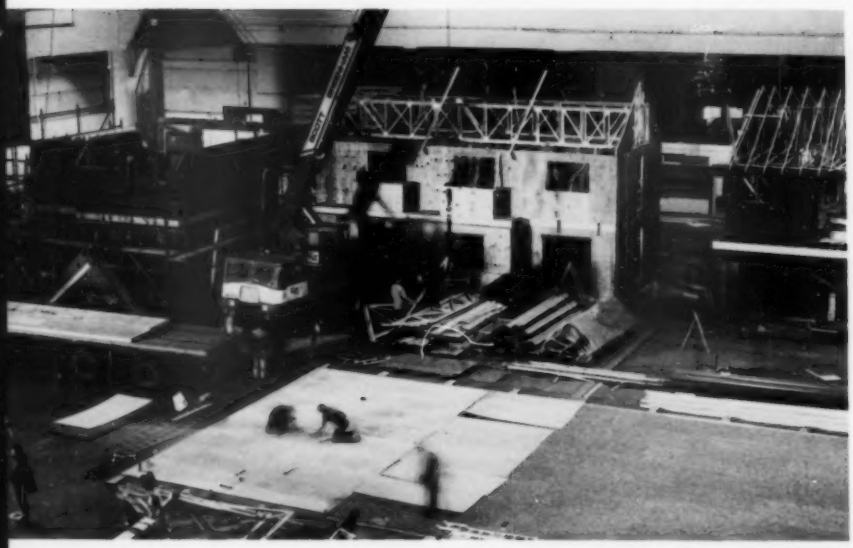
A broker's contract will outline exactly what services will be provided. Upon signing the contract, the exporter generally is obligated to such things as continuity of supply and funding if the brand is to be advertised or promoted in-store.

In turn, the exporter can expect the broker to supply a sales management team that will call upon all key grocery buying points. The food broker also will handle all import regulations and physical distribution. After the product arrives by ship or plane, the broker will organize shipment to the supermarket shelf.

Employing a broker can provide exporters with a flexible resource that in effect will become a second office and sales force. ■

The author is a director of Strategic Developments, Oxfordshire, United Kingdom. The article is based on his briefing for U.S. exhibitors participating in the Buffet America/U.S. Food Exhibit held last year in London.

'Street of Dreams' Houses Promote U.S. Plywood in U.K.



Wanted: British consumers to help design six ideal wood-frame houses. No experience necessary. Knowledge of timber-frame construction helpful. Winning design will have dream home built by U.K. builder.

This unusual marketing campaign is among the American Plywood Association's (APA) latest efforts to promote the benefits of timber-frame housing in the United Kingdom.

The campaign, which is expected to last more than a year, will feature a "Street of Dreams" project of six model houses near London. The houses will be built in cooperation with Potton Homes, one of Britain's leading builders of timber-frame houses.

Raymond Mitzner, APA's managing director of international operations in Europe, said the project is an excellent opportunity to showcase U.S. plywood panels and establish consumer confidence in timber-frame construction.

Contest Launches Project

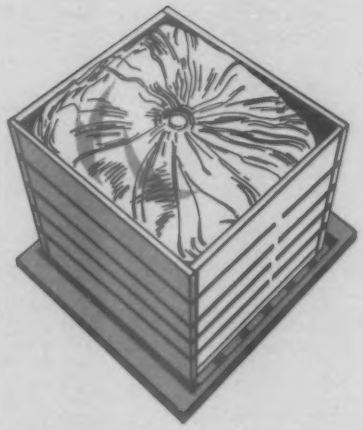
The project was launched last fall with a mass-media contest in which British consumers answered questions regarding the benefits of timber-frame construction.

Six contest winners were selected as "design advisors." Each got the opportunity to help design an "ideal wood-frame home" of up to 2,000 square feet. The contest winners also visited the United States to view contemporary wood housing systems and designs.

Mitzner said the houses will be open for viewing this fall. A newspaper poll will determine the public's favorite design among the six houses. The winning "designer" will have his or her dream house erected by the builder.

Campaign Aimed at Consumers

"Our primary target in this promotion is the consumer," said Mitzner. "The British think of a timber house as a summer



Liquid Bin Container Creates New Use for U.S. Plywood Panels

Fabricators of crates and containers already account for most of the current demand for U.S. plywood panels in the United Kingdom, and now, thanks to an innovative new concept in packaging, that demand should increase even further.

The American Plywood Association (APA) has introduced Big Bin, a 1,100-liter liquid bin container that's billed as the square alternative to the 200-liter barrel.

Plywood bearing the APA trademark is used for bottom, side, end and top panels. A pallet base, stringers and cover battens are made from timber. The bin is lined with an aseptic bag to make a sturdy, reusable container for shipping liquid agricultural products ranging from wine to tomato paste.

Big Bin holds five and a half times the capacity of a 200-liter barrel. It is designed to be handled easily with a forklift and its cubical shape makes stacking and storage safe and efficient. For return shipment, the container conveniently folds down to take up only one-fifth the space it occupies when filled.

chalet or a beach house, but not as a permanent place to live. Consumers are accustomed to masonry construction for their dwellings and we want to show them that with U.S. wood materials they can build strong, durable houses."

Mitzner said U.K. home buyers are learning about the program through publicity and advertising on national television and in TVTimes, a weekly consumer magazine with a paid circulation of 3.2 million.

"The other target audience will be the building trade," said Mitzner. "We plan to bring British architects, engineers and builders to the model houses for seminars and other types of educational programs. In addition, trade advertising and publicity will be placed in appropriate construction industry publications."

The U.S. Department of Agriculture is supporting the project through the Targeted Export Assistance program. Also cooperating with APA on the project are the Western Wood Products Association, the Southern Forest Products Association and the U.S. Hardwood Export Trade Council.

The Street of Dreams is not the first U.K. timber-frame house project APA has undertaken. In 1986, in collaboration with Wimpey Homes, a British residential construction firm, and Ideal Home Magazine, the leading U.K. shelter publication, APA products were displayed in a timber-frame house at The Daily Mail Ideal Home Exhibition in London. Several other display units in the show also used large quantities of U.S. plywood panels.

"These promotional programs are helping to rebuild public and builder confidence in timber-frame construction which has suffered in the past because of negative publicity generated by nonwood interests," Mitzner said.

Plywood Use Expands

Traditionally, most of the U.S. panels exported to the United Kingdom have been used for crates, containers and concrete forms. However, the decreased value of the dollar has made U.S. panels more affordable for other applications as well.

Steady growth in the home repair and remodeling sector—which now account for about one-fourth of all panels imported—has strengthened the market for U.S. panels which are recognized for their strength, bond durability and economy.

Commercial construction, projected to increase 13 percent by 1990, also shows strong potential. However, the fastest growing market is for industrial use, predicted to increase 17 percent in the same period.

Standards Compliance Gained

In addition to promotional activities, Mitzner said one of the biggest accomplishments of his London-based office was getting APA plywood approved under British standards for building systems.

"Architects and engineers tend to write specifications according to the British standards," Mitzner said. "In many cases, they don't ask the grade or form, they just want to know if our products have the 'seal of approval' under the standards. It took us 10 years to get into the standards but we are there now."

With the "seal of approval" and a comprehensive public awareness campaign underway, APA has set its sights on making plywood a household word in U.K. housing. ■

Fact File

Fiscal 1987 Wrap-Up

U.S. Agricultural Exports

U.S. agricultural exports totaled $27.9 billion in fiscal 1987, a gain of 6 percent from the preceding year. The export volume of U.S. agricultural goods jumped 18 percent to 129.2 million tons. This was the highest level of the past three years.

With few exceptions, the value of U.S. agricultural exports logged healthy increases in most major regions of the world. Sales to centrally planned countries continued to decline but exports elsewhere were mainly good news.

U.S. Agricultural Exports Increased In Fiscal 1987

Region	1986	1987	Change
	$ Bil.	$ Bil.	Pecent
Western Europe	6.8	7.2	6
EC	6.4	6.8	6
Other	0.4	0.4	0
Eastern Europe	0.4	0.4	0
USSR	1.1	0.7	-36
Asia	9.3	10.3	29
South Asia	0.5	0.3	-40
Japan	5.1	5.5	8
China	0.1	0.2	100
Canada	1.5	1.8	20
Middle East	1.2	1.7	42
Africa	2.1	1.8	-14
North	1.4	1.3	-7
Sub-Saharan	0.7	0.5	-29
Latin America	3.6	3.8	6
Mexico	1.1	1.2	9
Central & Caribbean	1.1	1.2	9
South America	1.4	1.3	-7
Oceania	0.2	0.2	0
Total[1]	26.3	27.9	6
Developed Countries	14.0	15.0	7
Less Developed Countries	10.7	11.5	7
Centrally Planned	1.6	1.4	-12

[1]Numbers may not add due to rounding.

Exports to Most Major Markets Gain

Eight of the top 10 export markets for U.S. agricultural products registered sales gains in fiscal 1987. A number of factors helped boost U.S. agricultural exports. Declines in the dollar, lower interest rates, reduced U.S. prices, aggressive export programs and improved economies in Asia—the No. 1 export region—were largely responsible for the stronger export performance.

Italy and the United Kingdom are newcomers to the top 10 in fiscal 1987, replacing the Soviet Union and Spain, which slipped to the eleventh and twelfth spots, respectively.

Most Major Markets Registered Gains

Market	1986	1987	Change
	$ Bil.	$ Bil.	Percent
Japan	5.1	5.5	8
Netherlands	2.0	2.0	0
Canada	1.5	1.8	20
South Korea	1.3	1.7	31
Taiwan	1.1	1.4	27
West Germany	1.0	1.3	30
Mexico	1.1	1.2	9
Egypt	0.9	0.8	-11
Italy	0.7	0.7	0
United Kingdom	0.6	0.7	17

The Top 10 Exports

Soybeans retained the top position on a value basis as the leading U.S. export commodity in fiscal 1987. Sales of U.S. soybeans abroad remained at virtually the same level—$4.2 billion worth—as in the previous year. However, six of the remaining top 10 export commodities logged increases over the past fiscal year.

On a volume basis, corn remained No. 1, while showing the second largest increase (26 percent) behind wheat flour shipments which grew by 27 percent. In fact, sales volume for eight of the top 10 commodities was above the previous year's level.

Grains accounted for nearly all of the increase in volume as lower U.S. prices, reduced competitor supplies and the role of the Export Enhancement Program (EEP) raised the U.S. share of the world grain trade.

However, with lower prices offsetting virtually all of the volume gains in grains, increased livestock, horticultural and cotton exports accounted for most of the increase in value.

U.S. high-value exports benefited from a weaker dollar and export promotion activities under the Targeted Export Assistance program (TEA).

Soybeans Lead Top 10 Export Products in Value

Commodity	1986	1987	Change
	$ Bil.	*$ Bil.*	*Percent*
Soybeans	4.2	4.2	—
Livestock & products	3.5	4.0	14
Horticultural products	2.7	3.2	19
Wheat & flour	3.5	3.1	-11
Corn[1]	3.3	3.0	-9
Cotton & linters	0.7	1.4	100
Feed & fodders	1.2	1.4	17
Soybean cake & meal	1.1	1.3	18
Tobacco	1.3	1.2	-8
Sugar & tropical products	0.8	0.9	12

[1]Excludes products.

Corn and Wheat Head Top 10 List in Volume

Commodity	1986	1987	Change
	Mil. MT	*Mil. MT*	*Percent*
Corn[1]	31.1	39.3	26
Wheat	25.5	28.2	11
Soybeans	20.1	21.3	6
Feed & fodders	8.2	10.0	22
Soybean cake & meal	5.5	6.7	22
Horticultural products	2.7	3.0	11
Rice	2.4	2.5	4
Wheat flour	1.1	1.4	27
Animal fats	1.3	1.2	-8
Soybean oil	0.6	0.5	-17

[1]Excludes products.

Top 10 Markets' Purchases of Leading Commodities ($ million)

Country	Corn	Soybeans	Livestk. & Prod.	Hort. Prod.	Wheat, Flour & Prod.	Cotton	Tobacco & Prod.	Feed & Fodders
Japan	966	814	1,154	749	353	345	319	235
Netherlands	33	715	63	105	6	2	77	588
Canada	16	49	280	680	4	24	2	58
S. Korea	313	224	585	17	208	282	3	5
Taiwan	263	400	209	96	110	140	33	12
W. Germany	5	287	85	210	—	82	194	139
Mexico	267	215	221	52	15	29	—	9
Egypt	161	22	64	1	309	23	74	4
Italy	5	101	86	32	56	62	49	47
United Kingdom	6	73	191	138	2	16	41	19

— Less than $500,000.

U.S. Agricultural Imports

Imports of agricultural products by the United States slipped 1 percent in fiscal 1987, going from $20.9 billion to $20.7 billion.

U.S. imports of livestock and horticultural products increased, but import value still declined, largely because of a substantial drop in coffee prices—the largest single import item on a value basis.

On the volume side, the dollar decline did not result in much change in the import volume because a large portion of U.S. imports comes from developing countries which peg their currencies to the U.S. dollar. Thus, there was little change in their competitive position.

Bananas and Vegetables Are Top Volume Imports (Thous. MT)

Commodity	1986	1987
Competitive		
Vegetables & prep.	2,199	2,446
Fruits & prep.	1,444	1,579
Sugar, cane or beet	1,905	1,492
Meat & meat products	1,134	1,099
Tobacco, unmanufactured	208	224

Commodity	1986	1987
Noncompetitive		
Bananas & plantains	3,042	3,106
Coffee & products	1,223	1,207
Rubber & gums	801	824
Cocoa beans & products	507	503
Spices	100	104
Tea	89	80

Horticultural Products, Coffee Are Leading Imports ($ billion)

Commodity	1986	1987
Competitive		
Fruits, nuts & veg.	3.5	3.6
Meat & products	2.2	2.7
Wines & malt beverages	1.8	1.8
Dairy & products	0.8	0.9
Sugar & products	1.0	0.8
Grains & feeds	0.7	0.7
Tobacco, unmanufactured	0.6	0.6
Live animals	0.6	0.6
Oilseeds & products	0.6	0.6
Other competitive products	1.2	1.5
Total competitive	13.1	13.9

Commodity	1986	1987
Noncompetitive		
Coffee, incl. processed	4.4	3.2
Cocoa, incl. processed	1.2	1.1
Bananas, plantains	0.7	0.8
Rubber & gums	0.6	0.7
Spices	0.3	0.4
Tea	0.1	0.1
Other noncompetitive	0.4	0.4
Total noncompetitive	7.8	6.8
Total imports	20.9	20.6

The U.S. agricultural trade surplus recorded a solid increase of nearly $2 billion in fiscal 1987, rising from $5.4 billion in 1986 to $7.3 billion in 1987. Exports rose more than $1.5 billion and imports fell slightly.

Agricultural Trade Surplus Grows ($ billion)

	1986	1987
Exports	26.3	27.9
Imports	20.9	20.6
Trade surplus	5.4	7.3

U.S. Peanuts Go Gourmet In British Menus

"In England, when you go to a pub, you can have a beer and some peanuts. We don't want to change that, but we want to expand on it. At home, we want people to try apple and peanut stuffing. . .pork and peanut casserole. . .vegetarian peanut risotto. . ."

That, according to Hilton Settle, director of European operations for the National Peanut Council of America (NPCA), is one of the goals of the Council's market development activities in the United Kingdom. In addition to expanding the use of peanuts in home meal preparations, NPCA also wants U.K. consumers to consciously look for U.S. peanuts in the products they buy.

"Peanut consumption in the United Kingdom is on the rise," Settle said. "The United Kingdom is the world's largest import market for peanuts as well as the largest market for U.S. peanuts. The United States supplies half of the 110,000 tons of peanuts consumed annually in this important market."

In 1987, the NPCA initiated a major public relations program to increase both consumer awareness and consumption of U.S. peanuts in the United Kingdom. This effort was designed to assist and strengthen longstanding joint promotional efforts with major U.K. manufacturers.

The NPCA's marketing efforts are getting an extra boost from the U.S. Department of Agriculture's Targeted Export Assistance (TEA) program which helps fund overseas promotion activities for a number of U.S. farm products.

Consumer Education Program Underway

Through a variety of activities, the NPCA is educating consumers on the quality and nutritional value of peanuts.

"Most U.K. consumers—and consumers throughout Europe for that matter—have very little awareness of the nutritional value of peanuts," Settle said. "They are an excellent source of protein, fiber and a wide range of vitamins and minerals."

"We are trying to demonstrate that not only are peanuts a tasty and nutritious snack, they also can be incorporated as an ingredient in a variety of recipes, adding interest, texture and taste. For instance, peanuts fit very nicely into vegetarian dishes and help substitute even higher levels of protein for replaced meats."

With the help of a health education consultant, the NPCA has produced a booklet for nutritionists called "Peanuts—The Inside Story." The booklet provides a detailed analysis of the nutritional benefits of peanuts. A condensed version, complete with recipes, was developed for consumers.

In addition, the Council worked with the Royal Society of Medicine and the U.K. Government's Health Education Authority on a project to demonstrate how men who eat too much and exercise too little can change their lifestyles.

Over a three-month period of regulated diets and regular exercise routines, a group of 18 men dramatically improved their fitness levels and eating habits. Many of the recipes in their diet included peanuts and peanut butter.

Another outlet for the NPCA's message in the United Kingdom is the special editorial/advertising sections called "advertorials" that appear in prominent magazines.

"We did a number of advertorials last year publicizing the high quality of peanuts," said Settle. "This included announcing the availability of our information leaflets, emphasizing the nutritional aspects of peanuts and providing recipe ideas.

"The response has been very positive and more advertorials are planned for the future."

Radio and television also are used as outlets for information. "Last year, we did several live radio interviews on peanuts. Syndicated tapes also were produced and distributed to many other radio stations," he said.

"One station liked the idea so much they declared an 'American Peanut Week.' We did interviews that ran the whole week and made copies of our consumer brochure available to radio listeners.

"We also did a special segment on a weekly television show which features a variety of recipe ideas. Our show on U.S. peanuts and peanut butter reached 3.5 million households. In the first three weeks after it aired, we received 10,000 requests for our brochure," said Settle.

Children Also Getting the Message

In addition to media promotion, the NPCA has turned its attention to children. Through leaflets developed especially for distribution in schools, children—and their parents and teachers—are learning that peanuts and peanut butter are an inexpensive source of nutrition that are well-suited for school lunches.

The NPCA also has tested a nutrition education teaching package in several U.K. middle schools, using peanuts and peanut butter as examples throughout. A final, tested version is expected to be distributed to all 11,000 U.K. middle schools this fall.

In addition, the NPCA has started an "American Peanut Butter Lovers' Fan Club"—a novel idea which attracted more than 4,000 U.K. children as members only two months after it was launched.

"We are excited about the enthusiastic response we have received," said Settle. "The club is a tremendous vehicle for reaching the younger generation to educate them about peanut butter and the fact that the United States is the world's largest supplier of high-quality peanuts."

Other Markets Targeted

Although much of the NPCA's market development efforts are concentrated in the U.K. market, TEA funds also are being used to promote U.S. peanuts in nine other European markets as well. The strategy for each country varies, however.

West Germany, for example, is the No. 1 export market for U.S. inshell peanuts. The marketing campaign in Germany combines generic activities and point-of-sale materials with the joint marketing efforts of German importers of U.S. peanuts. This has led to an increase in consumption during the "off-season" of January through August.

In addition, the NPCA is working with two major German manufacturers to promote identified packs of U.S. peanut kernels.

A generic public relations campaign also is entering its second year in the growing French market, in addition to traditional joint marketing agreements with major manufacturers. A generic campaign also will be initiated in Italy this year.

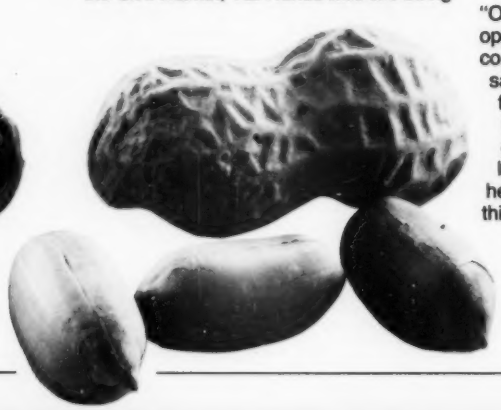
New Product Introductions Supported

"Last year in Europe we worked with manufacturers to support the introduction of eight new products using U.S. peanuts in four countries," Settle said. "This provides incentives for overall peanut consumption to grow and leads to increased U.S. peanut exports."

The NPCA is constantly working on new product introductions, including peanut butter.

"Outside of the Netherlands and the United Kingdom, there is very little consumption—or consumer awareness—of peanut butter," Settle said. "This is a situation we are studying and trying to change."

"Overall," he said, "we see tremendous opportunities for increasing peanut consumption—and therefore U.S. peanut sales—in Europe, thanks to increased funding under the TEA program. European consumption levels, though growing, are only about one-fourth the level in the United States. One cannot help but feel excited about the challenge this marketing opportunity presents." ■



British Consumers Learn Merits Of Versatile U.S. Soybean

High in quality. Low in cholesterol. Versatile in use. These descriptions are just what today's health conscious consumers look for when they shop for food, and the American Soybean Association (ASA) offers it all in one bottle—soybean oil.

To promote soybean oil in the United Kingdom—where consumers traditionally have used blended oils labeled cooking oil or table oil—ASA has introduced an extensive market development campaign to increase consumer awareness of the product and its benefits.

According to Roger Leysen, market manager for fats and oils with the ASA office in Brussels, Belgium, the U.K. campaign covers a variety of activities ranging from media advertising to in-store promotions and demonstrations.

"We are active in direct promotion of soybean oil to the consumer," Leysen said. "We also are working with supermarkets to make an identified soybean oil available on store shelves."

Consumer Education Starts Early

Another successful feature of the campaign is a spokesperson's program designed to educate consumers on the benefits of soybean oil.

Sue Goddard, director of Goddard Niklas Delaney DeRoos, the advertising agency for the ASA in the United Kingdom, said the program features eight women who travel throughout the United Kingdom as spokespersons on the qualities of soybean oil.

"Representatives of ASA in St. Louis have trained these women on nutrition and all aspects of the versatility of soybean oil," Goddard said. "Some of the women are home economists; others are journalists or radio personalities."

Goddard said the program focuses on women's organizations and schools. "We start educating consumers on soybean oil very early," she said. "We teach the children what a soybean looks like because people don't grow them in this country. It is quite a new concept to them."

In addition to lectures and demonstrations, support literature such as recipes, leaflets and cookbooks are provided.

Goddard said that market research indicates that 80 percent of British consumers are now aware of soybean products as a result of the promotional activities.

Although the program has been successful, Leysen said it has happened in stages.

"When the program was launched, the only oils available were blended oils sold under private labels which gave no indication of what the oil really was," Leysen said. "First, we began to see oil labeled pure vegetable oil, then we began to see the words 'pure soybean oil' in small letters on the lable. Now we are at the stage where soyoil is very prominent."

Margarine Sector Looks Promising

Leysen said that the greatest potential growth, however, may be in the margarine sector.

"In the past, sunflower margarines and corn oil margarines have been successfully promoted. Now, four of the five major supermarket chains in the United Kingdom are offering margarine made from U.S. soybeans under their own labels," he said.

According to Leysen, increased consumption of this product is due in part to the trend toward healthy heating habits. Consumers are looking for products that are low in cholesterol and high in quality.

Market Research Pays Off

Robert Fondahn, U.S. agricultural trade officer in London, said the success of the ASA market development campaign, funded in part by the U.S. Department of Agriculture's Targeted Export Assistance program is an outstanding example of how market research pays off.

"Before initiating their full market development plan, the American Soybean Association thoroughly researched the market to find out what consumer perceptions were, and where they could best penetrate the market.

"They analyzed the data and decided to concentrate their efforts on the processed side—oil and margarine. Thanks to ASA's efforts, soybean oil has gained a major share of the blended oil market. Now their efforts are making an impact on the margarine sector which also should significantly increase the import of U.S. soybeans for crushing."

ASA is not stopping there, however. Leysen and Goddard said that once the soy margarine market is effectively established they will be turning their attention to the mayonnaise and salad dressing markets—with plans to promote soybean oil as one of the value-added ingredients. ■

California Prunes and Walnuts Shoot for Star Billing in U.K.

Trying to change the image of prunes as an old-fashioned, fuddy-duddy fruit is no easy task in the United Kingdom, but the California Prune Board has set out to make the wrinkled fruit a star in the U.K. market.

Through a promotional program ranging from advertisements to in-store promotions, the Board is trying to convince the British that prunes are sweet nuggets of nutritional goodness on their morning cereal, in their lunchtime yogurt and with their evening salad—or just plain good for snacking right out of the package.

Mark Dorman, European marketing director for both the California Prune Board and the Walnut Marketing Board, says that for the first time in the past 25 years, California prunes are beginning to show a considerable turnaround in the United Kingdom and other European markets.

"In fact," he said, "sales in the countries where we marketed under the Targeted Export Assistance (TEA) program grew by 17 percent, versus a drop of 22 percent in countries in Europe not being supported by the TEA program.

The London-based office covers not only the United Kingdom, but Finland, Norway, Sweden, Denmark, Belgium, Germany, Italy and Spain as well.

Brand-Identified Promotion

Under the TEA program, surplus commodities from the Commodity Credit Corporation's stockpiles are used to partially reimburse commodity organizations conducting certain types of foreign market development projects. As a TEA participant, the California Prune Board has launched a program to promote brand-identified prunes.

"Although we are located in London, we assist all of the branded California packer programs in all nine countries we cover," said Dorman. "We are involved in all forms of promotion ranging from consumer advertising campaigns, including cooperative advertising with retailers, to in-store promotions, taste tests and recipe development."

The program emphasizes the natural aspects of prunes from California such as high quality and nutritional value.

Dorman said the brand-identified program is an attempt to limit the power of local distributors to drop California prunes in favor of prunes from other countries when factors such as fluctuations of the dollar or the establishment of trade tariffs change the market climate.

"By building consumer loyalty to California brands, we hope to keep them in demand and create sales for the long-term as well as the present," he said.

Walnuts Tackle Competition

Dorman and his associate, Suzy Weston, also have launched a promotional campaign for the Walnut Marketing Board to boost sales of California walnuts in the United Kingdom—a market dominated by Chinese and Indian walnuts.

In the past, California exported mostly inshell walnuts in unbranded bulk form. With TEA support, brand-identified shelled walnuts are the new focus of market development activities.

As with prunes, retail sales of walnuts are promoted through advertising, public relations efforts and in-store demonstrations.

'California' Strong Selling Point

"What we are doing in the brand-identified campaigns is emphasizing California quality, both for walnuts and prunes," said Weston, who serves as European marketing manager.

"The image of California is a strong selling point with many foreign consumers. They think of California as big, beautiful, sunny and healthful—and they assume that the products from a place like that must be good. We have a major public relations program that concentrates on the word 'California.' In fact, the word is quite large on a lot of packaging."

According to Weston, research indicates that consumer awareness of California as the place of origin for the brand-identified prunes and walnuts is relatively high in most European countries with the exception of the United Kingdom. The TEA program, however, is expected to change that by promoting the image of California brands.

Weston and Dorman have found that the job of building distribution of a California brand is less complicated in the United Kingdom than in many European countries thanks to the U.K. market structure. In the United Kingdom, the central buying operation is in the hands of only a few chains, or "multiples" as they are called, which cuts down on the number of distributors they must deal with.

"In Italy, for example, trying to build distribution is a complex task because there are—according to whichever source one uses—about 467,000 grocery outlets for 22 million homes," said Dorman. "In the United Kingdom, there are 22 million homes but only 54,000 grocery outlets, so our job is a little easier here."

Price Gives France the Edge

In addition to lack of consumer awareness, price is another factor that has given prune exporters from nearby France an edge in the United Kingdom.

"In countries such as Spain or Germany, consumers like high-quality products so they lean more toward the Californian brands," said Weston. "In markets like the United Kingdom and Belgium, consumers are a little more price conscious."

With increased awareness of the benefits of healthy eating, however, the British are increasing their consumption of fresh and dried fruits, nuts and other nutritious food—and many are willing to pay a little more for it.

Through marketing slogans like "A Nutty Surprise From California" and "Prunes—The High Fiber Fruit," California growers and processors hope to convince the British that prunes and walnuts grown in the Golden State fit perfectly into today's healthy food trends. ■

Europeans Urged To Say "U.S. Cotton, Please"

Whether it's designer jeans for a rock concert, a stylish dress for an afternoon tea or cool shirts for a hot office, many shoppers around the world look for the word "cotton" on the label when they buy clothing. Through a campaign to promote the image of U.S. cotton as a durable, quality fiber, Cotton Council International (CCI) is hoping that more consumers will insist on products made of U.S. cotton.

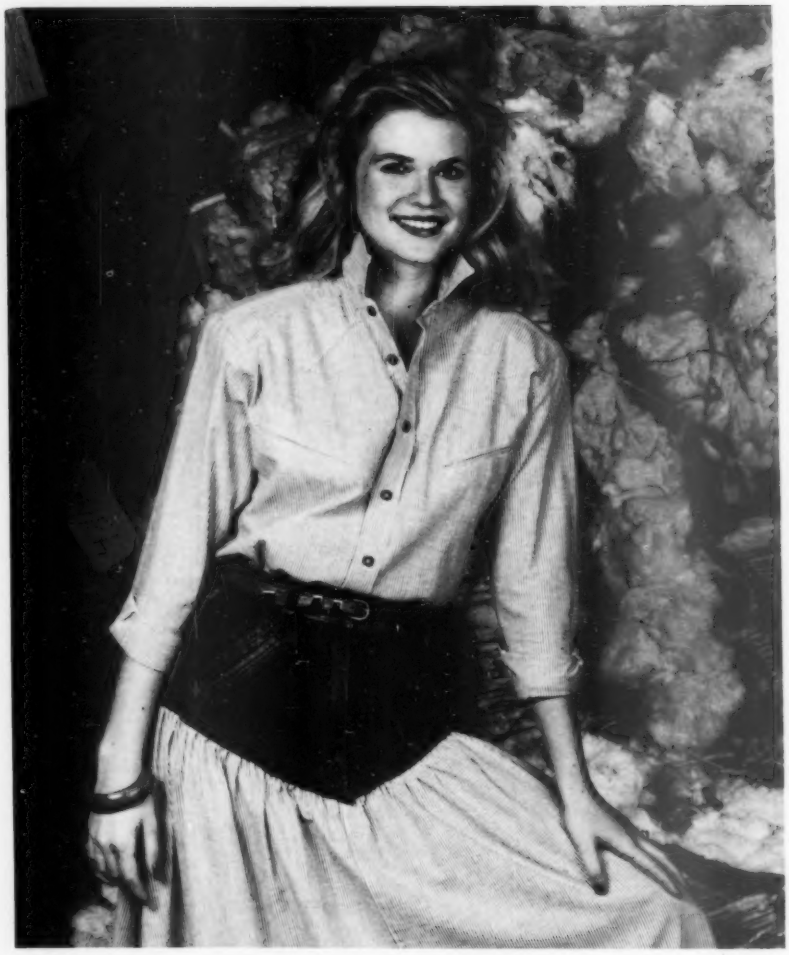
CCI is the overseas arm of the National Cotton Council and carries out promotion and trade servicing projects worldwide. In marketing year 1986/87, 69 percent of cotton grown in the United States was sold to export markets, according to Sam Reeves, president of CCI.

CCI is active in Asia, which accounts for about two-thirds of U.S. cotton exports, as well as in Europe which buys most of the remaining one-third.

CCI's London office carries out market development activities in the area between London and Moscow, and between Helsinki and Cape Town—including the Middle East. The Hong Kong office covers Asia, while the Washington, D.C., office handles South America and other regions. This article focuses on recent activities in Europe.

Promotions Aimed at Consumers

To expand cotton consumption at the consumer level and to reinforce the image of cotton as a quality fiber, CCI conducts a wide range of promotional activities.

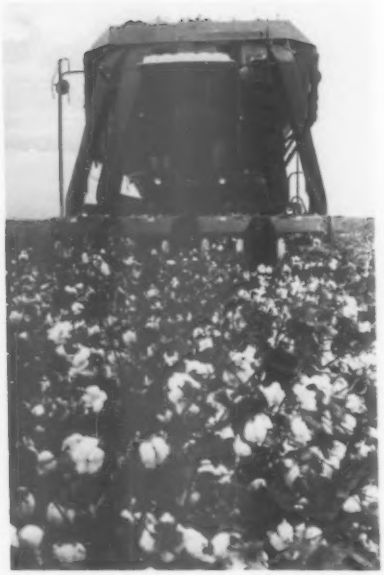


CCI sponsors direct advertising through print, cinema, television, and radio media and cooperates with retailers, garment manufacturers and textile mills in promoting 100-percent cotton branded products through advertising, in-store promotions and point-of-purchase campaigns.

With the help of funds from the Targeted Export Assistance program, the Council has worked with an advertising group to develop a commercial that has a "Buy American" flavor to it.

"Putting this commercial together was difficult," said Peter Scott, CCI European director, "because we're promoting something the consumer can't go out and buy. If you see a commercial on television for blue jeans, or an automobile or motor oil, you know where to buy them. You can't just go out and buy five bales of cotton!"

Scott said the philosophy behind the commercial was to create an atmosphere, an attitude and a perception about U.S. cotton.



"In many countries, goods associated with the U.S. lifestyle appeal to consumers," he said. "When they see the commercial, we don't want them to think just of cotton, we want them to think of *U.S. cotton.*

"When consumers start asking questions like, 'Does it contain U.S. cotton?' textile mills, garment makers and retailers will get the message. It's the trickle-down theory," Scott explained.

These new activities supplement established programs. For example, continuing a 50-year-old tradition, the U.S. cotton industry's "goodwill ambassadress" is the Maid of Cotton. Each year, a young woman from the United States is selected to assist with special cotton promotions worldwide. Textile groups often use her visits as a focus for retail promotions, trade shows, fashion events and other activities.

Trade Teams Visit Overseas

Consumer awareness is only one phase of market development activities, however. In a program aimed at cotton merchants and spinners, CCI arranges for groups of U.S. cotton farmers, exporters and government representatives to visit major overseas customers to discuss mutual marketing problems and opportunities.

"Each year we identify a number of key European countries and travel to each of them," Scott said. "We usually have a meeting where merchants and spinners are invited to talk with the trade team. This approach has been very successful. The spinners get their questions answered first-hand by the people who supply the cotton."

In a converse program, selected mill decisionmakers and fiber buyers from overseas markets visit the U.S. Cotton Belt each year for orientation tours. While in the United States, they are shown how cotton is grown, harvested, ginned, classed and marketed.

Scott said the tours not only increase the visitors' knowledge of the types and qualities of U.S. cotton available, but also familiarize them with U.S. marketing practices.

"In two weeks they see everything," said Scott. "When they return home they practically have a master's degree in U.S. cotton."

Trade Servicing Pays Off

In addition to trade team visits and spinner orientation tours, trade servicing is extremely important to export development.

Last April, CCI sponsored the U.S. Cotton Seminar, where 12 major U.S. cotton exporting firms met face to face with executives from Europe's most prominent mills," Scott said.

"While European mills use substantial amounts of U.S. cotton, the U.S. market share could be much higher. CCI recognized that increased familiarity with U.S. cotton, and stronger relations between the U.S. and European industries were the key to increasing sales. The seminar addressed these issues head-on."

According to Scott, nearly 60,000 bales ($17.5 million) were sold as a result of the seminar, with more on the way.

"Two-thirds of the Europeans said they planned to buy more U.S. cotton, 86 percent claimed better business contacts, and 99 percent said they would attend the next U.S. cotton seminar in Europe," Scott said.

Market Research Explores Constraints

To develop markets for U.S. cotton, CCI staff members travel to other countries to study the local raw cotton and textile industries. The staff assesses each country's special requirements, explores ways to overcome constraints to buying cotton from the United States and reports their findings to the U.S. cotton industry.

To round out market development activities, CCI provides economic, technical and promotional information to the world's fiber buyers.

"We try to collect the names of everyone in Europe who ever bought a bale of cotton and add them to our mailing list,' said David Caywood, CCI assistant European director. "Some of the information we give them covers the world market situation, but a lot of it is specific to U.S. cotton. Through frequent mailings, we always keep something about U.S. cotton on the desks of the buyers."

"With most of the competition for U.S. cotton coming from the Soviet Union and China, the Soviet bloc countries have been the toughest markets to crack," Scott said. "Countries in Western Europe, however, remain good markets for U.S. cotton. Italy is the major buyer, with Germany ranking second and France third."

Now, non-traditional markets such as Egypt and Iraq are getting more attention, mainly through government credit programs. The Commodity Credit Corporation export guarantee program which stimulates U.S. bank financing of foreign purchases on credit terms of up to three years has helped expand U.S. cotton exports to these countries. ■

Country Briefs

Hong Kong

Poultry Products Grow in Popularity With Consumers

Hong Kong's consumers ate a little over 28 kilograms of poultry per person in 1987, according to latest projections, a gain of 7 percent over the year earlier. While not yet the favorite meat on the menu—pork is still No. 1—poultry consumption has been gaining steadily. Several factors are responsible: the low price of poultry vis-a-vis other meats, the continued growth in the import of low-priced Chinese chickens, the growing popularity of pigeon and the Westernization of eating habits which includes greater purchases of frozen and other convenience foods and the rapid expansion of fast-food and other Western restaurants.

Hong Kong's poultry market is divided into two parts—live and frozen. Live birds (local production and imports from China) account for approximately 60 percent of consumption. Most live chickens, ducks and geese are consumed at home while live pigeons and some live chickens are sold to restaurants. Frozen poultry is widely available in supermarkets and wet markets for retail sale and accounts for the majority of poultry used by restaurants.

Pigeons are becoming more popular and are displacing frozen whole chickens in restaurants. Geese are being substituted by ducks, particularly low-priced Chinese ducks, in some restaurants.

Imports of live birds from China increased more rapidly than frozen meat imports in 1986. Prospects for continued growth in live bird imports will depend upon Chinese supplies and export policy. Imports of frozen poultry dropped from 66 million metric tons in 1985 to 60 million tons in 1986 (complete data are not available for 1987). The United States was the largest supplier of frozen poultry to the territory, accounting for 55 percent of the total. Its share of the market, however, remained at about 12.5 percent in 1986 as total imports dropped.—*Phil Holloway, Agricultural Officer, Hong Kong.*

Ireland

Butter Consumption Loses Ground to Substitutes

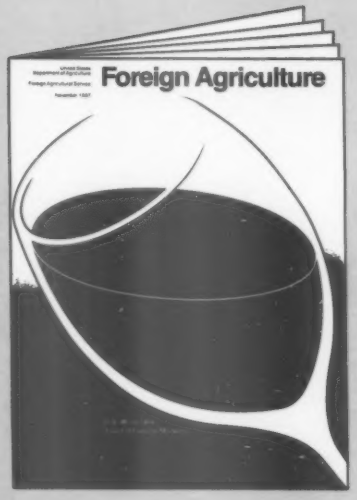
Consumption of butter in Ireland continues to lose ground to the highly successful butter substitutes, most of which contain up to 50 percent vegetables oils and/or extra water mixed with the butter to increase spreadability. The impact over the past three years has been phenomenal. Pure butter consumption has dropped 44,000 tons in 1984 to an estimated 26,000 tons last year, mostly as a result of the popularity of the new dairy spreads. Margarine consumption has not been affected significantly.—*Rolland E. Anderson, Agricultural Counselor, London.*

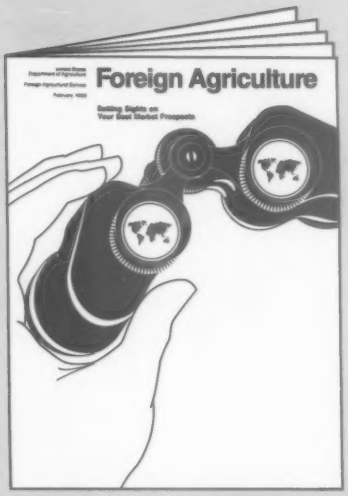
Italy

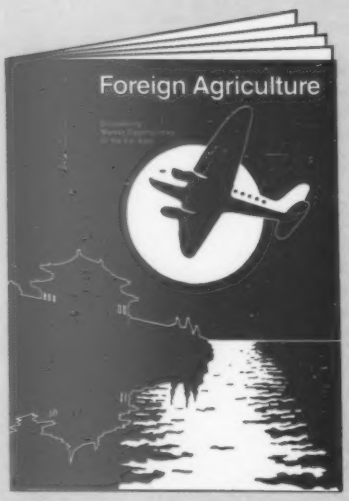
Pasta Slips in Popularity At Home but Exports Gain

Changing food habits, with fewer people eating lunch at home and the increasing popularity of products like pizza, have caused Italy's pasta consumption to stall or even decline slightly. As a consequence, Italian pasta makers are sponsoring a massive advertising campaign on Italian television and in major media to explain the health benefits of pasta compared to other foods. This campaign will focus on young people, the market segment that is more attracted to competing products.

Meanwhile, the rest of the world is buying more Italian pasta. Italian pasta exports, which were only 230,000 tons in 1981, reached 366,000 tons in 1985 and 370,000 tons in 1986. During January-July 1987 they rose to 235,000 tons, or 13 percent more than in the same period of the previous year. Exports to the United States during January-July 1987 were about 35,000 tons, versus 26,000 tons in the same period of 1986.—*Sandro Perini, Agricultural Specialist, Rome.*







Do you need information about

- Overseas markets and buying trends?
- New competitors and products?
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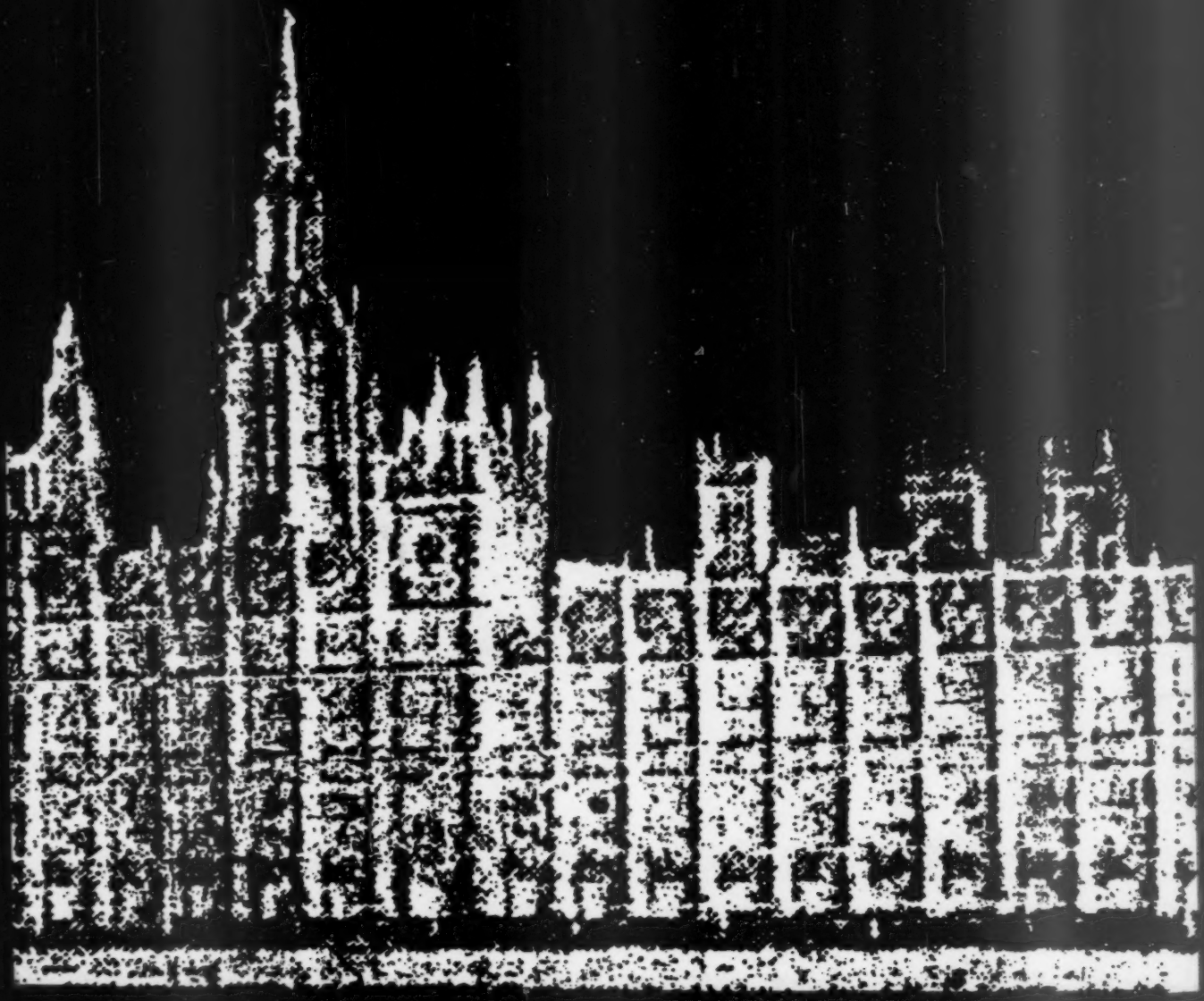
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